



Supplementary Explanatory Materials for FY2/2025 Financial Results

Group Guidelines and Group Companies

| | |
|---|---|
| Management Philosophy | Delivering on customer delight |
| Group Action Guidelines | Delivering highly stylish and attractive offerings to bring passionate delight to all stakeholders, with a focus on the following keywords: OPEN (= pioneering), community (= connecting), Revolution (= polishing), and Innovation (= developing) |
| Group Vision | Producing creative and innovative brands as a company with strong brand presence |
| Action Guidelines | Being dynamic and dramatic |
| Theme for the Medium-term Management Plan | Going far beyond the starting point |

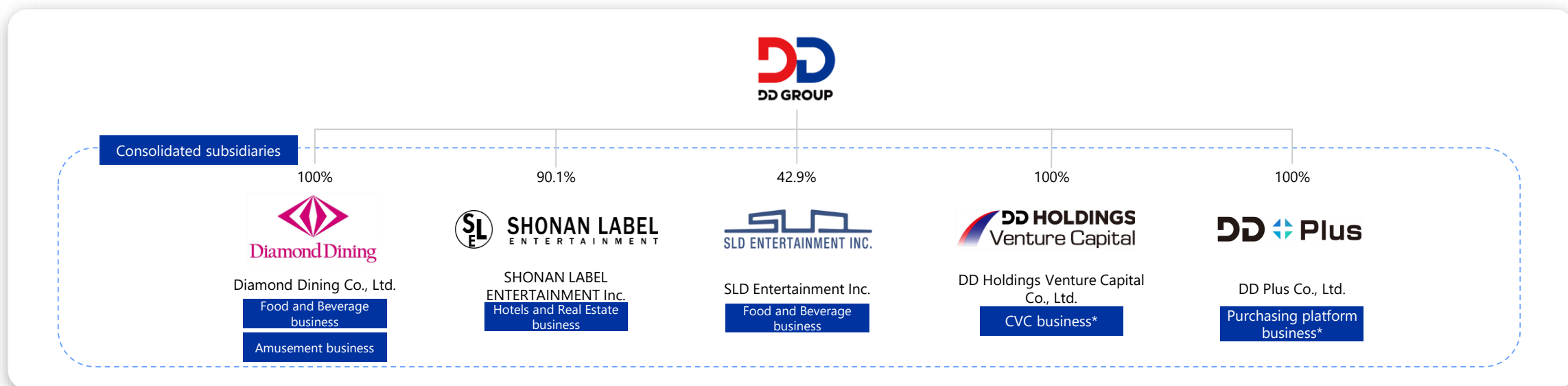


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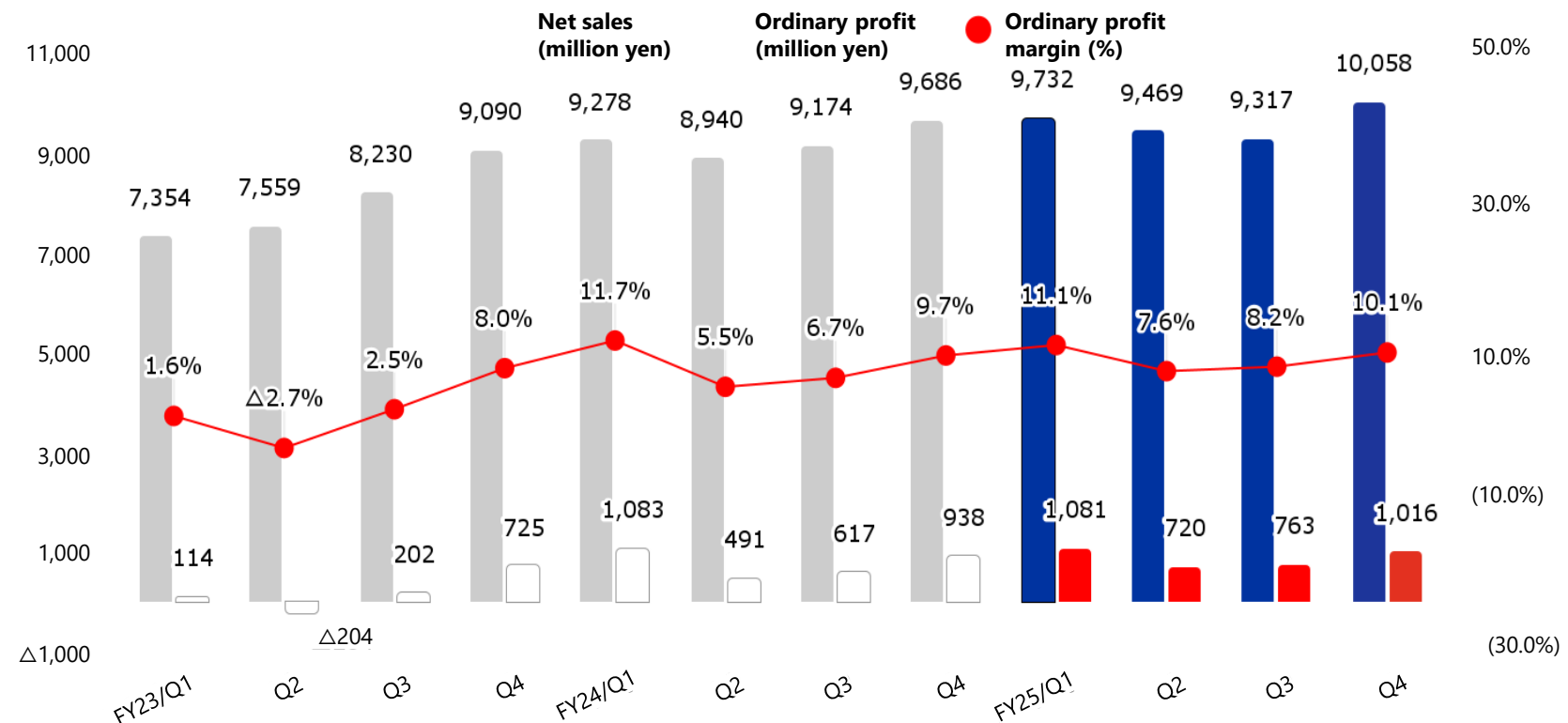


FY2/2025 Consolidated Financial Results Summary

- Achieved increases in both net sales (104.0% YoY) and ordinary profit (114.4% YoY), despite some negative impact from earthquakes, typhoons, and abnormal weathers such as extreme heat.

FY2/2025 Consolidated
Net sales
38,570 million yen
104.0% YoY

FY2/2025 Consolidated
Ordinary profit
3,580 million yen
Ordinary profit margin
9.3 %
114.4% YoY



FY2/2025 Consolidated Financial Results Summary (Comparison with Forecasts)

- Net sales and each profit slightly fell short of the consolidated full-year earnings forecasts, which were revised upward on October 15, 2024, as the Company implemented measures for the next fiscal year at the end of the fiscal year under review.

| (Unit: Millions of yen) | | FY2/2025 *Earnings forecasts | FY2/2025 Earnings results | Change vs. Earnings forecasts (Amount) | Changes vs. Earnings forecasts (%) |
|-----------------------------------|--|---------------------------------|------------------------------|---|---------------------------------------|
| Consolidated financial results | Net sales | 38,780 | 38,578 | (202) | 99.5% |
| | Operating profit | 3,760 | 3,738 | (22) | 99.4% |
| | Ordinary profit | 3,690 | 3,581 | (109) | 97.0% |
| | Profit attributable to owners of parent | 2,640 | 2,397 | (243) | 90.8% |
| | Basic earnings per share | 134.72 | 127.96 | (0) | 95.0% |

FY2/2025 Consolidated Financial Results Summary (YoY Comparison)

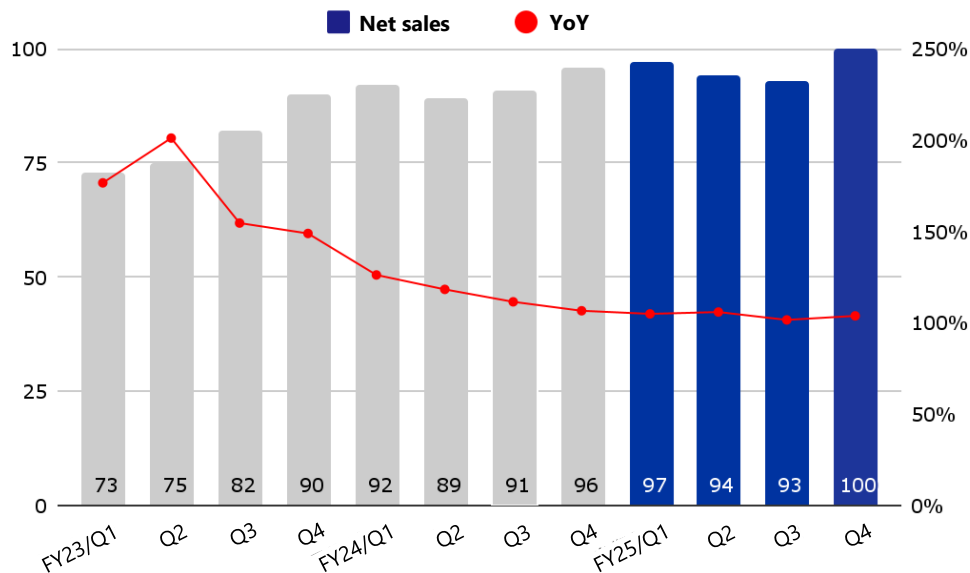
- Net sales from the Food and Beverage and the Amusement businesses increased YoY, while net sales from the Hotels and Real Estate business declined YoY.

| (Unit: Millions of yen) | | FY2/2024 | FY2/2025 | Change vs. Earnings forecasts (Amount) | Changes vs. Earnings forecasts (%) |
|--------------------------------|---|----------|----------|--|------------------------------------|
| Consolidated financial results | Net sales | 37,079 | 38,578 | 1,499 | 104.0% |
| | Operating profit | 3,243 | 3,738 | 495 | 115.3% |
| | Ordinary profit | 3,131 | 3,581 | 450 | 114.4% |
| | Profit attributable to owners of parent | 3,415 | 2,397 | (1,017) | 70.2% |
| By segment | Net sales from Food and Beverage | 27,228 | 28,460 | 1,232 | 104.5% |
| | Net sales from Amusement | 7,501 | 8,011 | 509 | 106.8% |
| | Net sales from Hotels and Real Estate | 2,349 | 2,106 | (242) | 89.7% |

FY2/2025 Consolidated Financial Results Summary (Quarterly Changes)

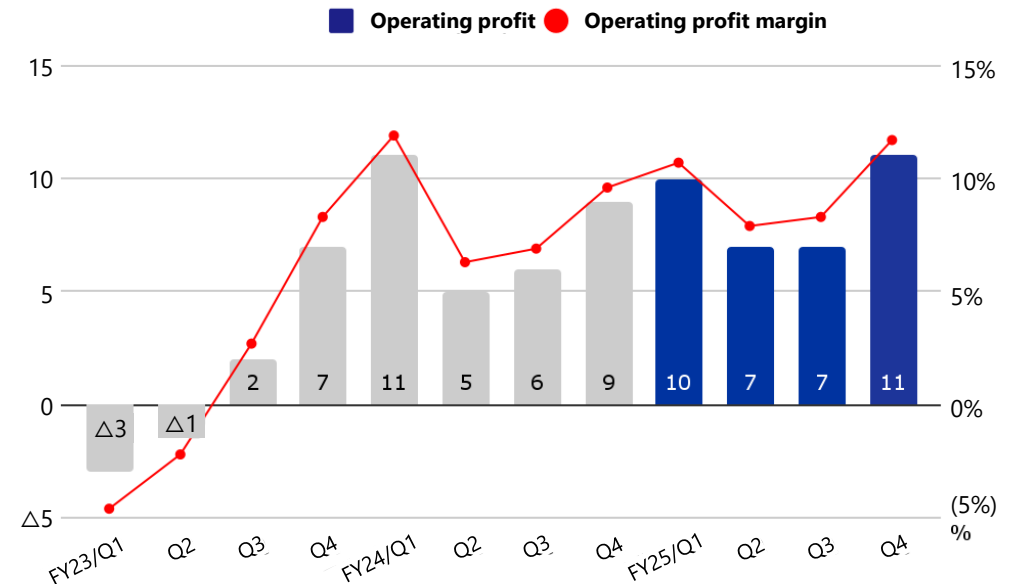
- Net sales increased to 103.8% YoY, driven by solid operating performance of the Food and Beverage and Amusement businesses
- Operating profit margin came in at 11.7%, with operating profit of 1,150 million yen or 125.8% YoY, backed by improved profitability of the Food and Beverage and Amusement businesses

Unit: 100 millions of yen



Q4 FY2/2025: Net sales 10,050 million yen / 103.8 % YoY

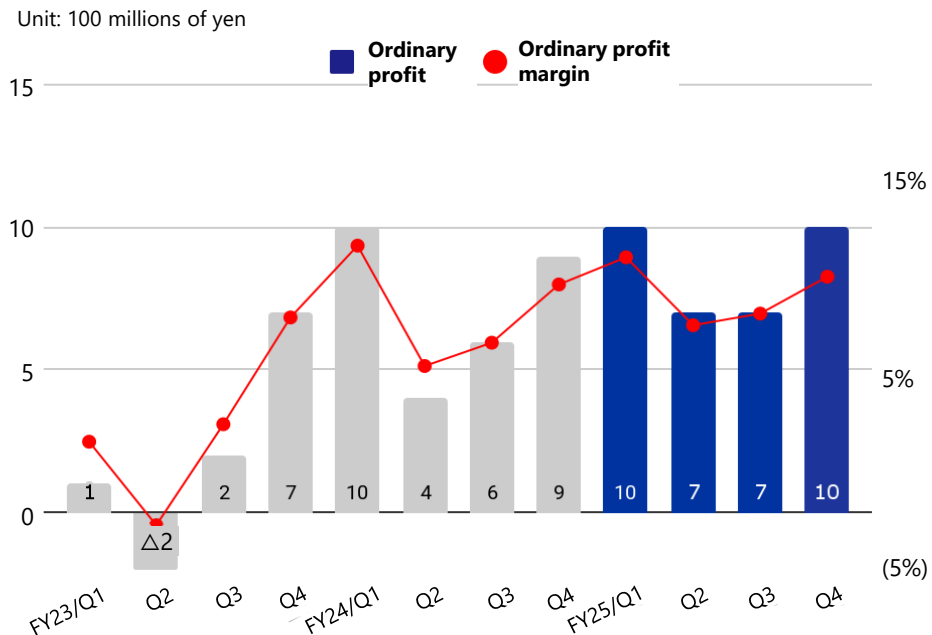
Unit: 100 millions of yen



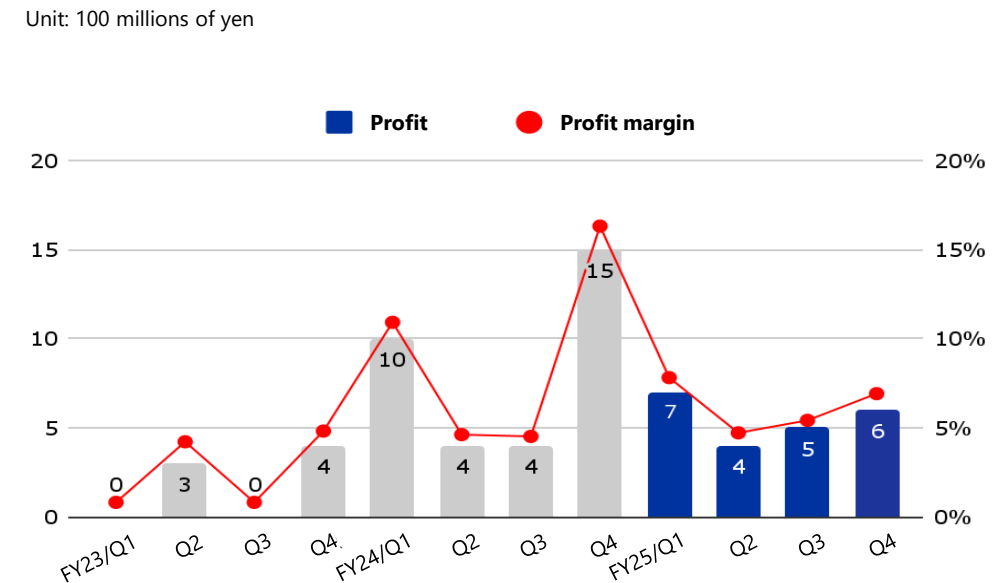
Q4 FY2/2025: Operating profit 1,150 million yen / Operating profit margin 11.7 % / 125.8% YoY

FY2/2025 Consolidated Financial Results Summary (Quarterly Changes)

- Ordinary profit increased to 108.5% YoY
- Profit for Q4 FY2/2025 came in at 40.4% YoY since profit attributable to owners of parent soared* a year ago due to recognition of deferred tax assets at the previous fiscal year end



Q4 FY2/2025: Ordinary profit 1,010 million yen / Ordinary profit margin 10.1% / 108.5 % of YoY



Q4 FY2/2025: Profit attributable to owners of parent 630 million yen / 40.4% YoY

Summary of Key Metrics for FY2/2025 Financial Results (Ratio to Net Sales)

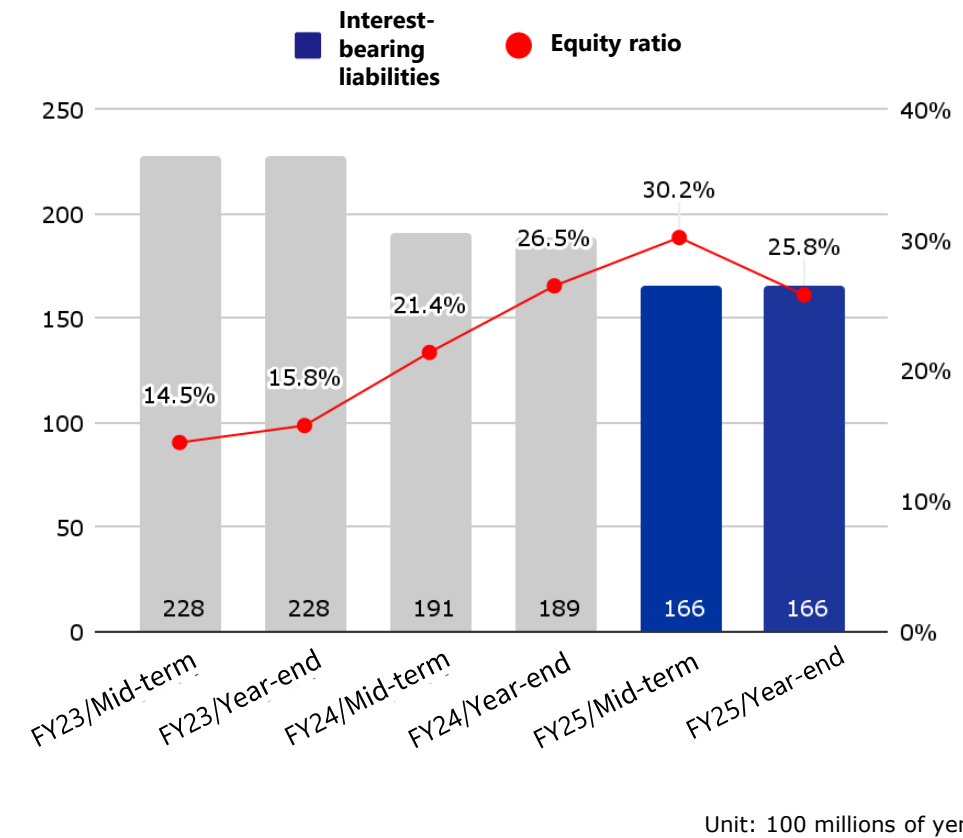
| | | FY2/2024 | FY2/2025 | YoY change | |
|------------------------------|---|-------------------|-------------------|-----------------|---|
| Cumulative financial results | Cost of sales ratio | 21.6% | 21.2% | (0.4%) | Raised price per customer by flexibly making changes to menu items, and curbed soaring costs through the joint purchasing platform of DD Plus |
| | SG&A ratio | 69.7% | 69.1% | (0.6%) | Achieved lower SG&A ratio in line with an increase in full-year net sales and through continuous cost reduction measures |
| | Operating profit margin | 8.7% | 9.7% | 0.9% | Recorded increased profits from the Food and Beverage and Amusement business segments, despite a decrease in profits from the Hotels and Real Estate business |
| | Operating profit margin before amortization of goodwill | 9.2% | 10.2% | 0.9% | |
| | Ordinary profit margin | 8.4% | 9.3% | 0.8% | Recognized support money for new store openings |
| | EBITDA* | 4,050 million yen | 4,650 million yen | 590 million yen | Recorded increased profits and increased depreciation due to new store openings |

FY2/2025 Consolidated Financial Results Summary—Changes in Cost of Sales Ratio and Financial Metrics by Segment

Quarterly Changes in Cost of Sales Ratio for Each Segment

| Segment | FY24 Q1 | FY24 Q2 | FY24 Q3 | FY24 Q4 | FY25 Q1 | FY25 Q2 | FY25 Q3 | FY25 Q4 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Consolidated | 19.8% | 21.3% | 23.0% | 22.1% | 21.6% | 21.6% | 20.0% | 21.4% |
| Food and Beverage, and Amusement | 21.0% | 21.5% | 21.8% | 21.9% | 22.1% | 21.6% | 20.7% | 22.0% |
| Food and Beverage | 23.7% | 24.3% | 24.5% | 24.6% | 25.1% | 24.5% | 23.4% | 25.0% |
| Amusement | 10.9% | 11.6% | 11.9% | 11.9% | 11.3% | 11.6% | 11.2% | 11.1% |
| Hotels and Real Estate | 4.4% | 16.7% | 35.4% | 27.5% | 11.3% | 21.5% | 7.8% | 7.5% |

Equity ratio 25.8%* Interest-bearing liabilities 16,600 million yen



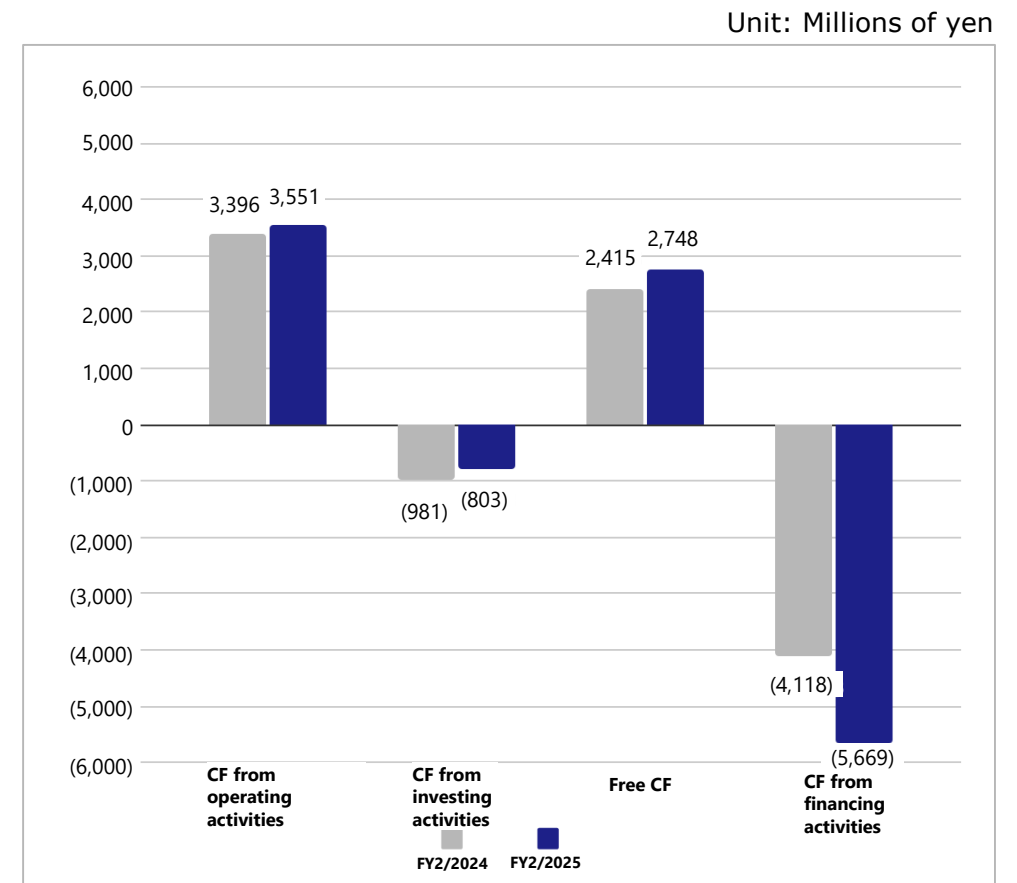
Consolidated Balance Sheet

- The balance of total assets declined 2,985 million yen from the end of the previous fiscal year, which is attributable primarily to a decrease in cash and deposits following the repayment of interest-bearing liabilities and an increase in property, plant and equipment from new shop openings
- The balance of interest-bearing liabilities decreased 2,346 million yen from the end of the previous fiscal year due to their repayment

| (Unit: Millions of yen) | As of Feb. 28, 2024 | As of Feb. 28, 2025 | YoY change (amount) | | As of Feb. 28, 2024 | As of Feb. 28, 2025 | YoY change (amount) |
|-------------------------------|------------------------|------------------------|---------------------|--|------------------------|------------------------|---------------------|
| Current assets | 13,499 | 11,311 | (2,188) | Interest-bearing liabilities | 18,948 | 16,601 | (2,346) |
| Cash and deposits | 10,301 | 7,382 | (2,918) | Other liabilities | 5,605 | 5,961 | 355 |
| Other current assets | 3,198 | 3,928 | 730 | Total liabilities | 24,554 | 22,562 | (1,991) |
| Non-current assets | 20,793 | 19,996 | (797) | Shareholders' equity | 8,845 | 7,935 | (910) |
| Property, plant and equipment | 9,475 | 10,096 | 620 | Retained earnings | 1,083 | 3,280 | 2,196 |
| Intangible assets | 2,632 | 2,439 | (192) | Accumulated other comprehensive income | 234 | 156 | (77) |
| Goodwill | 2,581 | 2,401 | (180) | Share acquisition rights | 1 | 1 | 0 |
| Investments and other assets | 8,685 | 7,460 | (1,225) | Non-controlling interests | 658 | 651 | (6) |
| Deferred assets | 0 | 0 | 0 | Total net assets | 9,738 | 8,744 | (993) |
| Total assets | 34,292 | 31,307 | (2,985) | Total liabilities and net assets | 34,292 | 31,307 | (2,985) |

Consolidated Statement of Cash Flows

| Unit: Millions of yen | FY2/2024 | FY2/2025 | YoY change (amount) |
|---|----------|----------|---------------------|
| Cash flows from operating activities | 3,396 | 3,551 | 154 |
| Cash flows from investing activities | (981) | △ 803 | 177 |
| Free cash flows | 2,415 | 2748 | 332 |
| Cash flows from financing activities | (4,118) | (5,669) | (1,551) |
| Effect of exchange rate change on cash and cash equivalents | 4 | 0 | (4) |
| Net increase (decrease) in cash and cash equivalents | (1,698) | (2,921) | (1,223) |
| Cash and cash equivalents at end of period | 10,600 | 7679 | (2,921) |



Corporate Topics

| | | |
|--|--|--|
| | Comparison of earnings results | Comparison of earnings results with the previous fiscal year |
| | Status of shop openings by the Group | Newly opened two Japanese-style restaurant brands; one café brand; and a BAGUS brand in the Kansai region; was entrusted with the operation of three IP content-based shops; and converted the brand of one shop. |
| | Vision towards digital transformation (DX) | Launched a business plan jointly with Google Cloud ("Joint Business Plan"). |
| | Timely disclosure | <ul style="list-style-type: none">• Revisions to shareholder special benefit program• Reduction in share capital and transfer to other capital surplus• Received B score in CDP Climate Change Report 2024• Partial acquisition and cancellation of Class-A preferred shares and finalization of syndicate loan agreement• Partial amendment to the investment agreement related to the Class-A preferred shares |
| | Joint purchases via DDP | <ul style="list-style-type: none">• Progress in procurement collaboration using the logistics platform of DD Plus Co., Ltd. |

Corporate Topics: Comparison of earnings results with the previous fiscal year by Segment

| (Unit: Millions of yen) | FY2/2024 | FY2/2025 | YoY change (amount) | |
|------------------------------------|----------|----------|------------------------|--|
| Consolidated net sales | 37,079 | 38,578 | 1,499 | Net sales from the mainstay Food and Beverage and Amusement businesses remained solid like in the previous fiscal year, despite a decrease in net sales from the Hotels and Real Estate business. |
| Food and Beverage business | 27,228 | 28,460 | 1,232 | Net sales increased backed by increased price per customer through flexible changes to menu items, as well as contribution from new shop openings. |
| Amusement business | 7,501 | 8,011 | 509 | Net sales increased backed by the reopening of capsule hotels, coupled with persistently strong performance of the billiards, darts, and karaoke businesses. |
| Hotels and Real Estate business | 2,349 | 2,106 | (242) | Net sales declined as the number of real estate properties sold decreased, despite positive factors such as the reopening of rebranded 3S Hotel Atsugi, and increased demand for each hotel during |
| Hotel Atsugi—entire building lease | 285 | 0 | (285) | The Company had concluded a contract to lease the entire building of Hotel Atsugi as a facility to accommodate patients infected with COVID-19, under the designation of Kanagawa Prefecture. The contract, however, expired in Q1 of the previous fiscal year (at the end of May 2023). |

| (Unit: Millions of yen) | FY2/2024 | FY2/2025 | YoY change (amount) | |
|------------------------------------|----------|----------|------------------------|---|
| Consolidated operating profit | 3,243 | 3,738 | 495 | |
| Food and Beverage business | 2,714 | 3,327 | 613 | Withdrawal from unprofitable shops and strong performance of shops newly opened in Q2 contributed to operating profit. |
| Amusement business | 1,481 | 1,672 | 191 | The billiards, darts, and karaoke businesses continued to perform strongly. Deficits decreased with the reopening of capsule hotels. |
| Hotels and Real Estate business | 341 | 174 | (167) | Operating profit dipped as the Company incurred preparation expenses for the reopening of rebranded 3S Hotel Atsugi. |
| Hotel Atsugi—entire building lease | 195 | 0 | (195) | Operating profit plunged with the expiration of the contract to lease the entire building of Hotel Atsugi. |
| Indirect cost | (1,293) | (1,437) | (144) | Costs increased as the Company developed business expansion during and after the COVID-19 pandemic and promoted the integration of in-house data platforms as set out in the Medium-term Management Plan. |

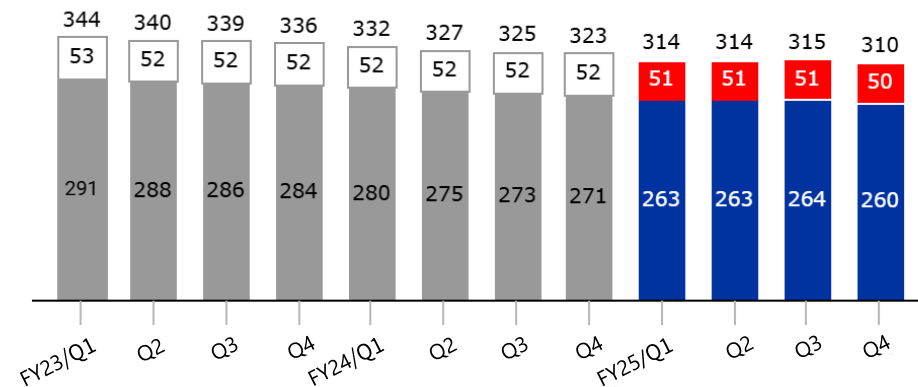
Corporate Topics: Status of Shop Openings by the Group

Number of shops operated under the Group (Food and Beverage, and Amusement)

| | |
|---|-----------|
| Food and Beverage | 260 shops |
| Amusement | 50 shops |
| Total number of directly operated shops | 310 shops |
| Shops operated under license + Shops entrusted with operation | 13 shops |
| Total number of shops | 323 shops |

Number of hotels operated under the Group

| | |
|--------|----------|
| Hotels | 5 hotels |
|--------|----------|



Changes in number of directly operated shops

| | | Openings | Closure | Change in scope of consolidation | Number of directly operated shops | Brand Conversions |
|----------|------------------|----------|---------|----------------------------------|-----------------------------------|-------------------|
| FY2/2020 | Q1 ^{*1} | 12 | 7 | 53 | 486 | 0 |
| | Q2 | 5 | 2 | 0 | 489 | 0 |
| | Q3 | 7 | 4 | 0 | 492 | 5 |
| | Q4 | 4 | 7 | 0 | 489 | 2 |
| FY2/2021 | Q1 | 3 | 12 | 0 | 480 | 0 |
| | Q2 | 5 | 23 | 0 | 462 | 2 |
| | Q3 ^{*2} | 0 | 9 | (70) | 383 | 2 |
| | Q4 | 1 | 10 | 0 | 374 | 0 |
| FY2/2022 | Q1 | 0 | 9 | 0 | 365 | 0 |
| | Q2 | 1 | 7 | (3) | 356 | 0 |
| | Q3 | 0 | 0 | 0 | 356 | 0 |
| | Q4 | 1 | 7 | 0 | 350 | 6 |
| FY2/2023 | Q1 | 0 | 6 | 0 | 344 | 0 |
| | Q2 | 0 | 4 | 0 | 340 | 4 |
| | Q3 | 1 | 2 | 0 | 339 | 1 |
| | Q4 | 0 | 3 | 0 | 336 | 1 |
| FY2/2024 | Q1 | 1 | 5 | 0 | 332 | 2 |
| | Q2 | 2 | 7 | 0 | 327 | 1 |
| | Q3 | 2 | 4 | 0 | 325 | 0 |
| | Q4 | 1 | 3 | 0 | 323 | 0 |
| FY2/2025 | Q1 | 2 | 11 | 0 | 314 | 0 |
| | Q2 | 1 | 1 | 0 | 314 | 0 |
| | Q3 | 1 | 0 | 0 | 315 | 1 |
| | Q4 | 0 | 5 | 0 | 310 | 0 |

Corporate Topics: Status of Shop Openings by the Group

- Newly opened shops: 4; Closed shops: 17; Brand Conversions: 1 (decrease of 13 shops (net))

FY2/2025

Q1



水色
mizuiro

May 22, 2024
Opened the Japanese restaurant *Mizuiro*

BAGUS

May 30, 2024
Opened *BAGUS Umeda*



June 27, 2024
Opened *Shuzen Ho no Homare*



Q2

Q3

chano-ma

November 28, 2024
Opened *chano-ma Tennoji*



November 15, 2024
Opened *Kanijigoku 2F*
(brand conversion)



Q4

Corporate Topics: Status of Shop Openings by the Group

- Diamond Dining Co., Ltd. was entrusted with the operation of the Chiikawa Ramen Buta shops, opened at Nagoya PARCO, Shibuya PARCO, and Shinsaibashi PARCO for a limited time only (the number of shops entrusted with operation in FY2/2025: 3).



Chiikawa Ramen Buta, embodying the popular ramen shop depicted in *Chiikawa*, a manga created by the illustrator Nagano, was opened for the first time in Japan at Nagoya PARCO on March 19, 2024, followed by Shibuya PARCO on August 23, 2024, and Shinsaibashi PARCO on November 15, 2024, for a limited time only.



Corporate Topics: Vision Towards Digital Transformation (DX)

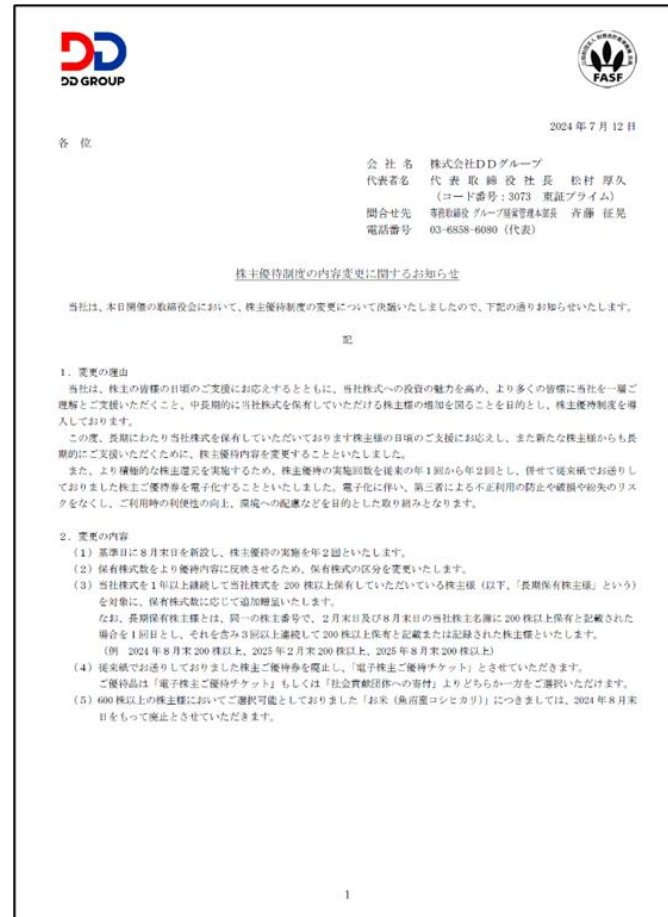
- The Company announced the Joint Business Plan with Google Cloud on April 22, 2024.

As our vision towards digital transformation, one of the goals set out in the New Consolidated Medium-term Management Plan*, we will work on the following initiatives jointly with Google Cloud Japan G.K. with a focus on the following four key themes: "ensuring optimum allocation of business systems," "maximizing LTV," "strengthening the Group's management capabilities," and "developing next-generation human resources."

| Pillars | | |
|-------------------|---|--|
| Cloud Migration | Ensuring optimum allocation of business systems | Taking an inventory of existing business systems |
| | | Improving operational know-how on cloud computing |
| Data Analytics | Making effective use of data for maximizing LTV | Consolidating distributed data platforms |
| | | Making better and more sophisticated use of data (AI/AM) |
| Collaboration | Strengthening the Group's management capabilities through information sharing and tighter collaboration | Putting in place a unified collaboration platform |
| | | Digitalizing operations and making use of generative AI |
| DD × Google Cloud | Strengthening brands and developing human resources | Marketing for increasing brand appeal |
| | | Developing human resources for DX |

Corporate Topics: Revisions to Shareholder Special Benefit Program

- Announced changes to the content of our shareholder benefit program on July 12, 2024 (For details, click [here](#).)



Details of the changes (applicable to the program whose record date is at the end of August 2024)

Providing benefits twice a year

Set an additional record date at the end of August to provide shareholder benefits twice a year
→ Plan to mail Shareholder Benefits Notice in November and May each year

Reclassification of shareholders by the number of shares held

Subdividing shareholders categories to better reflect the numbers of shares held in shareholder benefits

Providing additional benefits to long-term shareholders

Provide additional benefits to shareholders who have continued to hold 200 or more shares for one year or longer depending on the number of shares held

Issuance of shareholder benefit tickets in electronic form

Abolished shareholder benefit tickets issued in paper and transitioned to electronic shareholder benefit tickets

Changes to choices of shareholder benefits

- Allow shareholders to choose benefits from the following two types: electronic shareholder benefit tickets or donation to charitable organizations
- Abolished the choice of rice (Uonuma-san Koshihikari) which shareholders holding 600 shares or more were eligible to choose

Corporate Topics: Reduction in Share Capital and Transfer to Other Capital Surplus

- Resolved to reduce the amount of share capital at the extraordinary general meeting of shareholders held on February 27, 2025
(For details, click [here](#).)

Details of the change (reducing the amount of share capital effective on February 27, 2025)

| | |
|--|--|
| 株主総会参考書類 | |
| 議 案 資本金の額の減少の件 | |
| <p>(1) 資本金の額の減少の目的</p> <p>適切な税制の適用を通じて財務内容の健全化を図るとともに、将来の資本政策の柔軟性及び機動性を確保することを目的として、会社法第447条第1項の規定に基づき、次のとおり資本金の額を減少し、その他資本剰余金へ振り替えることをお願いするものであります。</p> | |
| <p>(2) 資本金の額の減少の内容</p> <p>①減少する資本金の額</p> <p>資本金の額107,557,736円から67,557,736円を減少して、40,000,000円といたします。</p> | |
| <p>②減資の方法</p> <p>払い戻しを行わない無償減資とし、発行済株式総数の変更は行わず、会社法第447条第1項の規定に基づき、減少する資本金の額の全額をその他資本剰余金に振り替えることにいたします。</p> | |
| <p>③資本金の額の減少の効力を生ずる日</p> <p>2025年2月27日（木曜日）を予定しております。</p> | |
| 以 上 | |
| — 3 — | |

Objective

Optimize the applicable taxation system to achieve financial health and ensure flexible and agile capital policies for the future

Breakdown of the reduction

| | | |
|----------------------------------|------------------|---------------------------------|
| (Share capital before reduction) | (Reduction) | (Share capital after reduction) |
| 107,557,736 yen | — 67,557,736 yen | = 40,000,000 yen |

Method of share capital reduction

This is the reduction of share capital without compensation; the total number of issued shares remains unchanged. Pursuant to Article 447, paragraph 1 of the Companies Act, the total amount of reduction in share capital is wholly transferred to other capital surplus.

Effective date

The share capital reduction was put on agenda at the extraordinary general meeting of shareholders held on February 27, 2025, and was approved on the same date.

Corporate Topics: Received B Score in the CDP Climate Change Report 2024

- Announced that the Company received a B score in the “CDP Climate Change Report 2024” on February 12, 2025 (For details, click [here](#))




Overview of B Score in CDP Climate Change Report 2024

| | |
|--------------------------------|---|
| CDP | CDP (Carbon Disclosure Project) is an international non-profit organization that promotes environmental information disclosure by companies and municipalities. It evaluates efforts related to climate change, deforestation, and water security, assigning scores on an eight-point scale from A to D-. |
| CDP Climate Change Report 2024 | The “CDP Climate Change Report 2024” evaluates climate change initiatives and disclosure practices of companies and municipalities in 2024, assessing their awareness of environmental risks and specific actions taken and assigning a corresponding score. |
| Score | Organizations are scored on an eight-point scale (A, A-, B, B-, C, C-, D, D-). The Company received a “B” score , the third-highest score. |
| Evaluation | Under CDP, a “B” or “B-” score is classified as management level, indicating that the organization is taking action on environmental risks and their impacts, tracking their impacts, and working to mitigate or eliminate them. |
| Future Goals | The Company will continue promoting climate change initiatives and enhancing disclosure, with the goal of contributing to a sustainable society. |

Corporate Topics: Notice Regarding Partial Acquisition and Cancellation of Class-A Preferred Shares and Finalization of Syndicated Loan Agreement for Refinancing Existing Borrowings

- Announced on February 12, 2025: Notice Regarding Partial Acquisition and Cancellation of Class A Preferred Shares and Finalization of Syndicated Loan Agreement for Refinancing Existing Borrowings (For details, click [here](#))




2025年2月12日

各位

会社名 株式会社DDグループ
 代表者名 代表取締役社長 松村 厚久
 (コード番号: 3073 東証プライム)
 問合せ先 取締役兼グループ経営管理本部長 斉藤 征晃
 電話番号 03-6858-6080 (代表)

A種優先株式の一部取得及び消却並びに
既存借入金の借換を目的とするシンジケートローン契約締結に関するお知らせ

当社は、本日開催の臨時取締役会において、当社定款11条の6（金銭を対価とする取得事項）の規定に基づき、当社発行のA種優先株式の一部を取得すること及び会社法178条の規定に基づき当該株式の消却を行うこと並びにシンジケートローン契約を締結することを決議いたしましたので、下記のとおりお知らせいたします。

記

1. A種優先株式の一部取得及び消却について

1. 自己株式（A種優先株式）の取得及び消却を行う理由

当社は2022年2月28日に、新型コロナウイルス感染症拡大の影響を受け、厳しい経営環境の下、自己資本の増強及び財務基盤の安定化のため、総額50億円のA種優先株式を発行いたしました。

当社グループは、コロナ禍において2020年7月15日公表の「経営合理化等を含む今後の経営方針に関するお知らせ」及び2021年4月14日公表の「債務超過解消に向けた取り組みについて」で記載のとおり、経営合理化策及び「経営改善計画」を策定し、諸施策の実施により、事業面及び財務面での安定化を図り、持続的な収支の改善に取り組みたことから、収益力が回復し自己資本が増加いたしました。このような状況により、A種優先株式の一部償還（取得及び消却）を実施することといたしました。

2. 取得に係る事項の内容

| | | |
|-----|------------|--------------------------|
| (1) | 取得する株式の種類 | A種優先株式 |
| (2) | 取得する株式の総数 | 30,000株（注1） |
| (3) | 株式の取得対価の内容 | 金銭 |
| (4) | 1株当たりの取得価額 | 104,069円80銭（注2） |
| (5) | 株式の取得価額の総額 | 3,122,094,000円 |
| (6) | 取得予定日 | 2025年2月28日 |
| (7) | 取得する相手方 | DBJ飲食・宿泊支援ファンド投資事業有限責任組合 |

（注1）A種優先株式の発行済株式数は50,000株であり、取得後の未取得株式数は20,000株となります。

（注2）上記取得価額は、当社定款11条の5第2項の定めに基づき計算しております。

3. 消却の内容

| | | |
|-----|-----------|------------|
| (1) | 消却する株式の種類 | A種優先株式 |
| (2) | 消却する株式の総数 | 30,000株（※） |
| (3) | 消却予定日 | 2025年2月28日 |

※なお、本件消却につきましては、「2. 取得に係る事項の内容」を元にA種優先株式を当社が取得することを条件といたします。

4. 業績への影響

本件が当期の業績に与える影響は軽微であります。今後業績に影響を与える事項が発生した場合には速やかに開示いたします。

1

Partial Acquisition and Cancellation of Class A Preferred Shares / Syndicated Loan

Class A Preferred Shares

In response to the challenging business environment caused by the COVID-19 pandemic, a total of 5.0 billion yen in Class A Preferred Shares was issued on February 28, 2022, to strengthen capital and stabilize the financial base.

Partial Acquisition/ Cancellation of Class A Preferred Shares

Implementation of business streamlining, management improvement measures, and other initiatives led to financial stabilization and recovery in profitability, and an increase in equity capital. Based on this progress, a partial redemption (acquisition and cancellation) of Class A Preferred Shares was carried out.

Number of Shares Acquired and Cancelled

Total shares to be acquired and cancelled: 30,000
Total shares issued: 50,000

Syndicated Loan Agreement Finalized

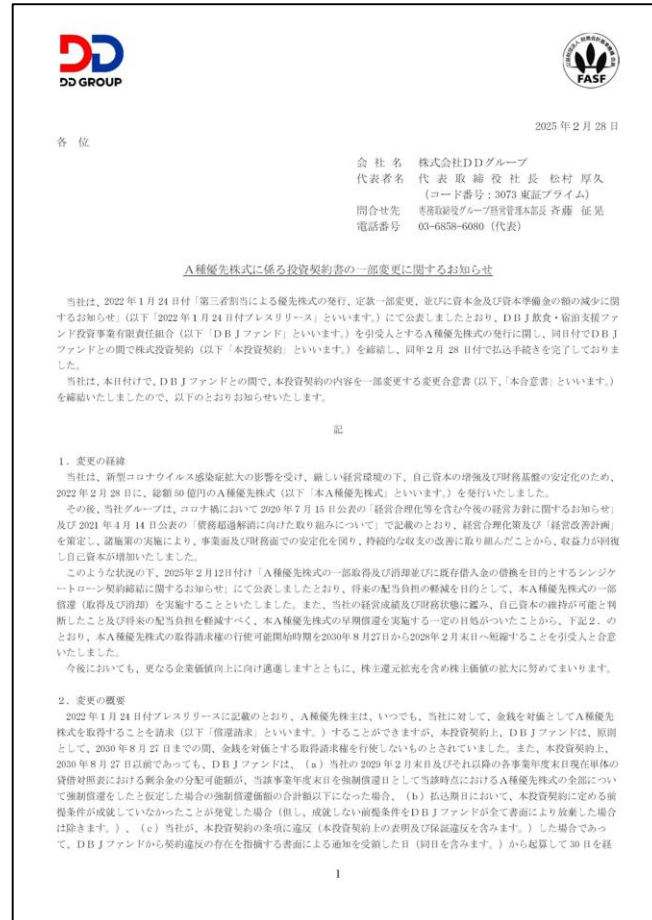
To further strengthen the financial foundation through refinancing of existing borrowings, a syndicated loan agreement was finalized.

Syndicated Loan Overview

Contract Date: February 25, 2025 Execution Date: February 28, 2025
 Arranger and Agent: SUMITOMO MITSUI BANKING CORPORATION
 Participating Financial Institutions*: The Bank of Yokohama, Ltd., Mizuho Bank, Ltd., Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., The Hiroshima Bank, Ltd., THE BANK OF KOCHI, LTD.

Corporate Topics: Notice Regarding Partial Amendment to the Investment Agreement Related to Class A Preferred Shares

• Announced on February 28, 2025: Notice Regarding Partial Amendment to the Investment Agreement Related to Class A Preferred Shares (For details, click [here](#))



Partial Amendment to the Investment Agreement Related to Class A Preferred Shares

Background and Purpose

On February 28, 2022, 5.0 billion yen in Class A Preferred Shares were issued to the DBJ Food & Beverage and Accommodation Support Fund Investment Business Limited Partnership ("DBJ Fund").

As announced on February 12, 2025 (ref. P.22), titled "Notice Regarding Partial Acquisition and Cancellation of Class A Preferred Shares and Finalization of Syndicated Loan Agreement for Refinancing Existing Borrowings", a review of business performance and financial position confirmed that equity capital could be maintained. With a clearer path toward early redemption to reduce future dividend burdens, both parties agreed to move the start date for exercising the acquisition request right from August 27, 2030, to the end of February 2028.

Amendment Overview

Under the agreement with the DBJ Fund, the start date for exercising the acquisition request right has been revised to the end of February 2028. "If, as of the end of any fiscal year on or after February 28, 2027, the amount available for distribution of surplus on the non-consolidated balance sheet falls below the total amount required for mandatory redemption of all outstanding Class A Preferred Shares, assuming that date to be the mandatory redemption date."

Corporate Topics: Progress in Procurement Collaboration Using the Logistics Platform of DD Plus Co., Ltd.



About the procurement collaboration using the logistics platform of DD Plus Co., Ltd.



By sharing the mass advantages of the DD Group and the overwhelming logistics efficiency achieved by the dominant development in the Kanto area with restaurants outside the DD Group in the same area, we will further share the mass advantages and attractive food ingredients of each company and enhance our product lineup together with our customers. Over 60 types of vegetables are sourced directly from producers at fixed annual prices, delivering fresh, affordable, and traceable produce.

Targeting 1,000 participating shops by the fiscal year ending February 2028.

[Trends in participating companies and shops under the procurement collaboration]

| | | FY2/2023 | | FY2/2024 | | FY2/2025 | | FY2/2026 | FY2/2028 Target |
|--------------------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|--------------------|
| | | 1H | 2H | 1H | 2H | 1H | 2H | Target | |
| | Non-Group Companies | 33 | 44 | 49 | 57 | 56 | 75 | 105 | 200+ companies |
| | Group Companies | 2 | 2 | 2 | 2 | 2 | 3 | 3 | |
| Participating Companies | Total | 35 | 46 | 51 | 59 | 58 | 78 | 108 | |
| | Non-Group Companies | 142 | 286 | 315 | 349 | 345 | 420 | 590 | 1,000+ shops |
| | Group Companies | 336 | 327 | 323 | 314 | 314 | 310 | 313 | |
| Participating Shops | Total | 478 | 613 | 638 | 663 | 659 | 730 | 903 | |

Segment Overview (Segment Breakdown)

| | Segment | Main Brands | Development Policy |
|-------------------------------|--|--|---|
| Food and Beverage / Amusement | Food and Beverage (260 shops) Sales composition ratio 73.8% |  | <p>This segment operates a variety of establishments, including izakaya, dining, and cafes, mainly in major cities throughout Japan. In this fiscal year, we focused on developing new business categories to expand our business and further enhance our portfolio, while continuing to improve our existing brands as usual. As of February 28, 2025, we have 260 shops in Japan. The segment includes weddings, franchises, and venture capital.</p> |
| | Amusement (50 shops) Sales composition ratio 20.8% |  | <p>This segment operates high-class billiards, darts, karaoke, internet cafes, capsule hotels, and golf lessons businesses under the BAGUS brand. We opened new shops only in carefully selected locations, aiming to further improve profitability in the future. As of February 28, 2025, we have 50 shop in Japan.</p> |
| Hotels / Real Estate | Hotels and Real Estate (5 hotels) Sales composition ratio 5.5% |  | <p>With the slogan of "Making Shonan a world-famous Shonan," this segment focuses on businesses related to people's lives based on the high-quality sensitive beach culture in Shonan. In Kanagawa Prefecture, we operate five hotels, as well as a number of other businesses, including food and beverage, container rental, leasing, and detached housing real estate sales.</p> |

Summary of Results by Segment (FY2/2025)

| | | Full-year Results by Segment | | | Segment Composition Ratio | | Year-on-Year | |
|--|---|------------------------------|------------------|-------------------------|---------------------------|------------------------------------|------------------------|-------------------------------|
| | | Net sales | Operating profit | Operating profit margin | Sales composition ratio | Operating profit composition ratio | Year-on-year net sales | Year-on-year operating profit |
| | (1) Food and Beverage business | 28,460 | 3,327 | 11.7% | 73.8% | 89.0% | 104.5% | 122.6% |
| | (2) Amusement business | 8,011 | 1,672 | 20.9% | 20.8% | 44.7% | 107.6% | 112.9% |
| | (3) Food and Beverage / Amusement segment ((1)+(2)) | 36,471 | 5,000 | 13.7% | 94.5% | 133.8% | 105.6% | 119.2% |
| | (4) Hotels and real estate segment | 2,106 | 174 | 8.3% | 5.5% | 4.7% | 84.3% | 51.2% |
| | (5) Headquarters expenses and other adjustments | 0 | (1,437) | - | 0.0% | (38.04%) | - | - |
| | Total for the Group ((3)+(4)+(5)) | 38,578 | 3,738 | 9.7% | 100.0% | 100.0% | 104.1% | 115.3% |

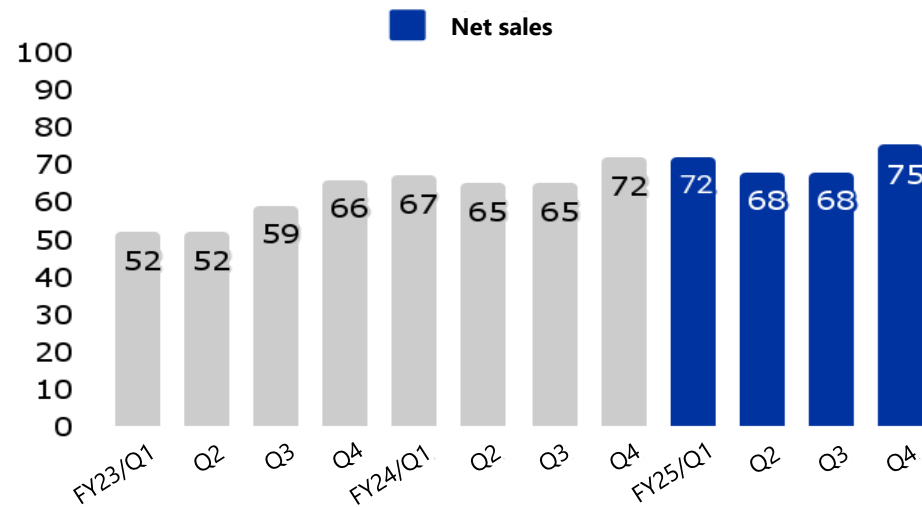
Results by Segment: Food and Beverage

Food and Beverage

- Both net sales and operating profit increased YoY due to an increase in the number of customers resulting from normalization of socioeconomic activities and an increase in sales per customer resulting from various measures.
- We secured earnings through various measures, such as measures against rising costs, ongoing cost reduction and closing unprofitable shops.

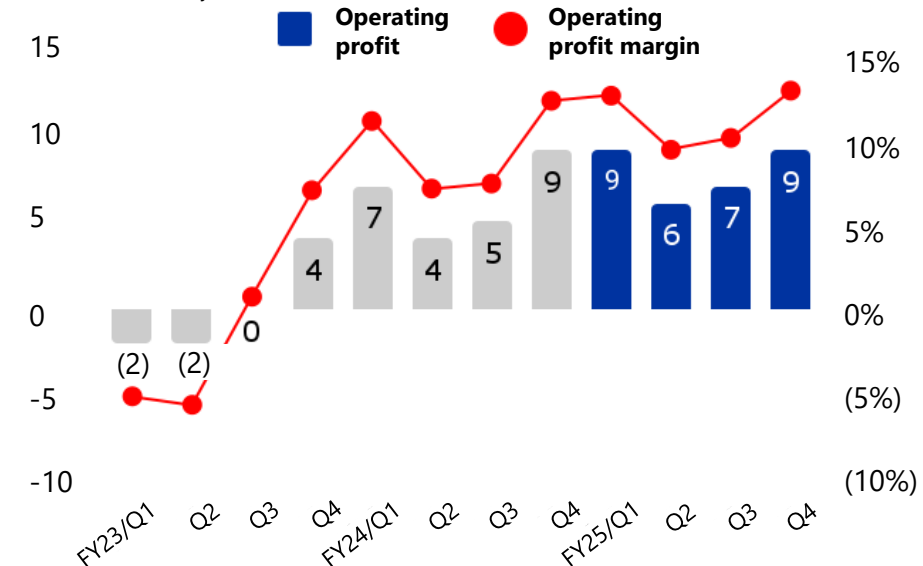
[FY2/2025] Net sales: 28,460 million yen, 104.5% YoY

Unit: 100 millions of yen



[FY2/2025] Operating profit: 3,320 million yen, 122.6% YoY

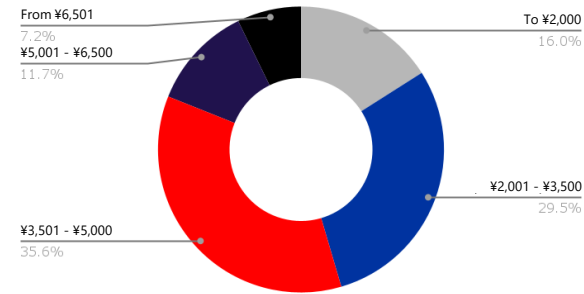
Unit: 100 millions of yen



Results by Segment: Number of Customers / Average Sales Per Customer YoY and Key Indicators in the Food and Beverage Business

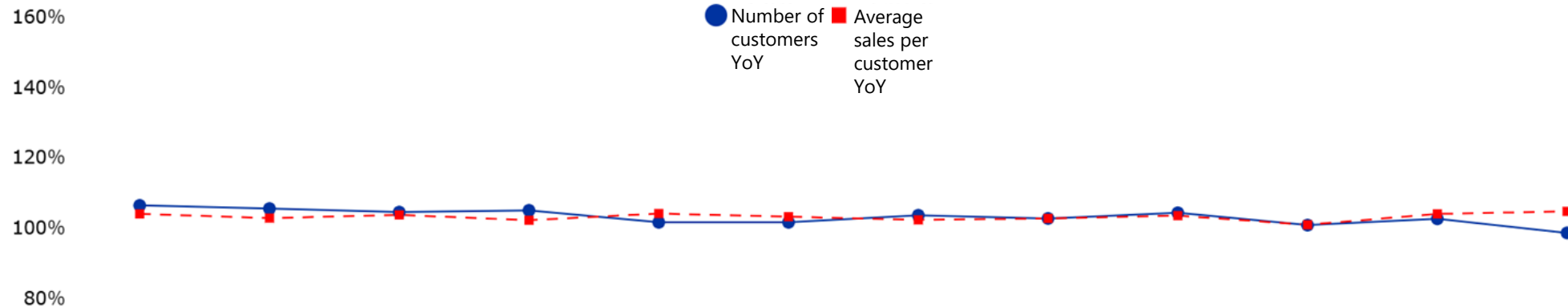
Food and Beverage

Food and Beverage: Composition of shop sales by unit price range



| | FY2/24 Q1 | FY2/24 Q2 | FY2/24 Q3 | FY2/24 Q4 | FY2/25 Q1 | FY2/25 Q2 | FY2/25 Q3 | FY2/25 Q4 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cost of sales ratio | 23.7% | 24.3% | 24.5% | 24.6% | 25.1% | 24.5% | 23.4% | 25.0% |
| Labor cost ratio | 31.3% | 32.6% | 32.7% | 30.8% | 30.8% | 32.4% | 32.9% | 31.3% |
| Rent-to-sales ratio | 14.4% | 14.8% | 14.7% | 13.1% | 13.2% | 13.8% | 13.7% | 12.6% |
| Utilities cost ratio | 3.7% | 4.4% | 3.8% | 3.3% | 3.2% | 4.4% | 3.8% | 3.4% |
| Operating profit margin | 11.5% | 7.5% | 7.8% | 12.7% | 13.0% | 9.8% | 10.5% | 13.3% |

[Existing Shops] Number of Customers and Average Sales Per Customer YoY



| | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Number of customers YoY | 106.7% | 105.8% | 104.8% | 105.3% | 101.9% | 101.9% | 103.9% | 103.0% | 104.6% | 101.1% | 102.9% | 98.9% |
| Average sales per customer YoY | 104.3% | 103.1% | 104.0% | 102.5% | 104.4% | 103.4% | 102.6% | 103.0% | 103.8% | 101.2% | 104.3% | 105.0% |

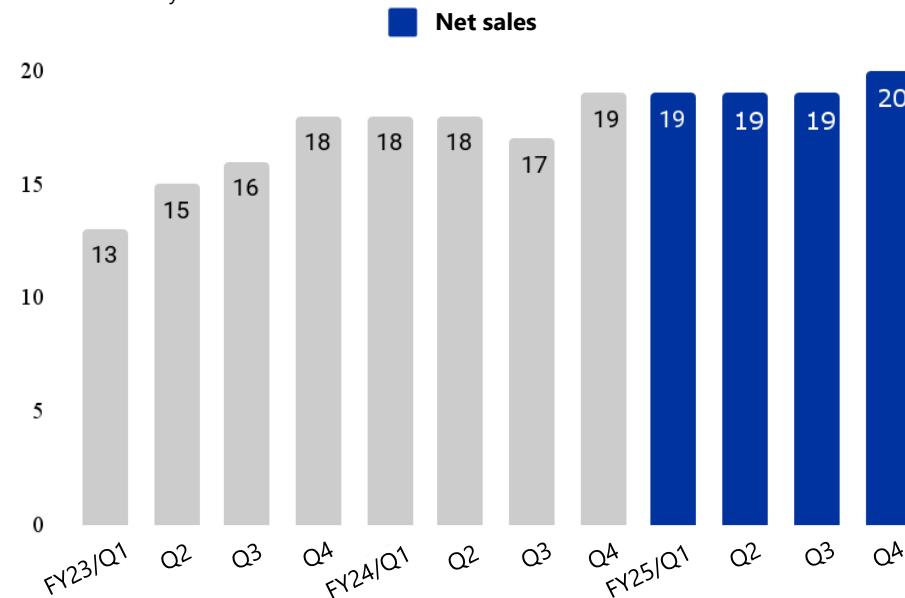
Results by Segment: Amusement

Amusement

- Billiard, darts, and karaoke shops achieved higher performance YoY as a result of promotion of event measures in line with the recovery in the flow of people.
- Internet café business started measures to recover business performance by opening and expanding billiard, darts, and karaoke rooms while closing unprofitable shops.
- The capsule hotel business, which resumed operations, narrowed losses in the previous year.

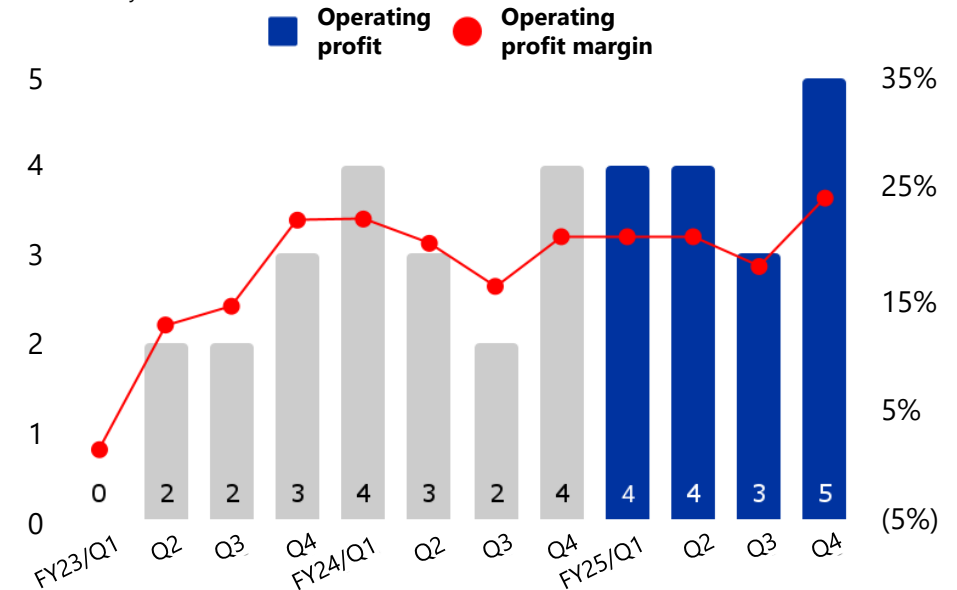
[FY2/2025] Net sales: 8,010 million yen, 106.8% YoY

Unit: 100 millions of yen



[FY2/2025] Operating profit: 1,670 million yen, 112.9% YoY

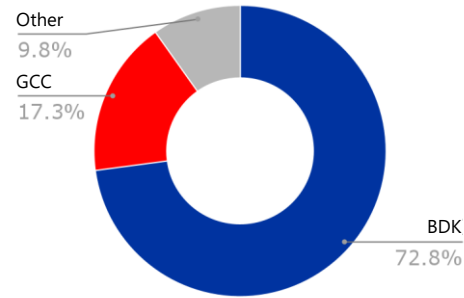
Unit: 100 millions of yen



Results by Segment: Number of Customers / Average Sales Per Customer YoY and Key Indicators in the Amusement Business

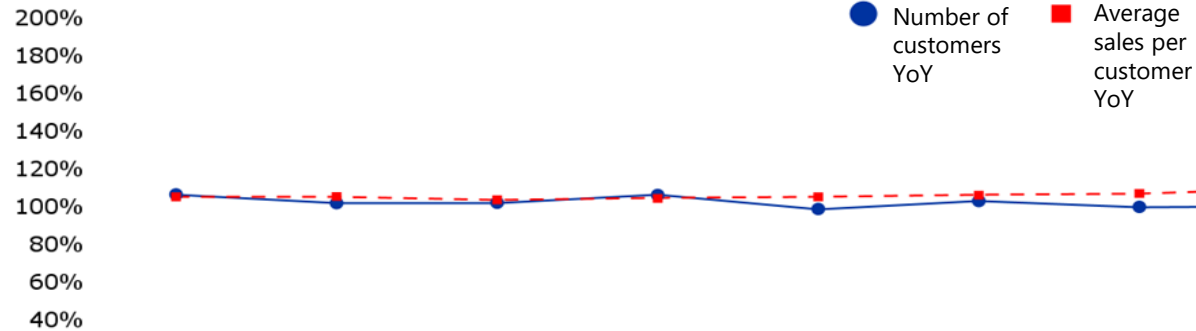
Amusement

Amusement: Composition of shop sales by business category*



| | FY2/24 Q1 | FY2/24 Q2 | FY2/24 Q3 | FY2/24 Q4 | FY2/25 Q1 | FY2/25 Q2 | FY2/25 Q3 | FY2/25 Q4 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cost of sales ratio | 10.9% | 11.6% | 11.9% | 11.9% | 11.3% | 11.6% | 11.2% | 11.1% |
| Labor cost ratio | 20.4% | 21.0% | 22.2% | 21.3% | 20.9% | 20.7% | 21.0% | 20.1% |
| Rent-to-sales ratio | 28.0% | 27.7% | 29.3% | 26.6% | 26.3% | 26.4% | 26.8% | 25.2% |
| Utilities cost ratio | 3.3% | 4.0% | 4.1% | 3.0% | 3.2% | 3.9% | 4.4% | 3.3% |
| Operating profit margin | 22.2% | 20.0% | 16.1% | 20.6% | 20.6% | 20.6% | 17.9% | 24.1% |

[Existing Shops] Number of Customers and Average Sales Per Customer YoY



| | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Number of customers YoY | 106.1% | 101.5% | 101.7% | 105.3% | 101.9% | 101.9% | 99.5% | 99.9% | 103.6% | 95.6% | 97.9% | 94.9% |
| Average sales per customer YoY | 104.8% | 105.0% | 103.8% | 104.0% | 104.8% | 106.4% | 106.6% | 109.2% | 112.3% | 108.7% | 109.8% | 112.0% |

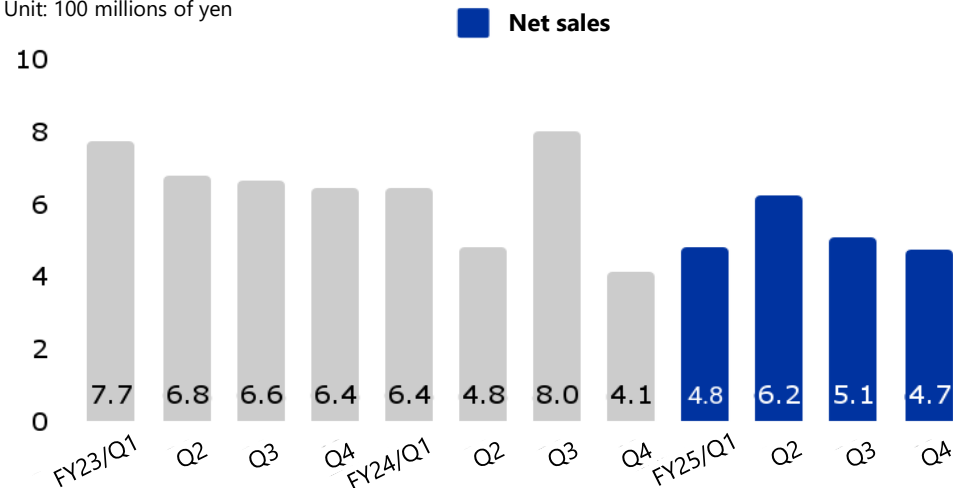
Results by Segment: Hotels and Real Estate

Hotels and Real Estate

- In this fiscal year, 3S HOTEL ATSUGI rebranded and opened in March 2024. The contribution from increased demand for hotels during the summer and stable revenue from rental container businesses contributed to sales. However, in prior years there were *revenues from some special factors, such as the contract to lease the entire building by the Kanagawa prefectural government as a facility for accommodating patients with mild COVID-19 symptoms, travel support for Kanagawa prefectural government, and the sale of the planned business site. As a result, net sales and operating profit were 89.7% and 51.2% respectively, YoY.

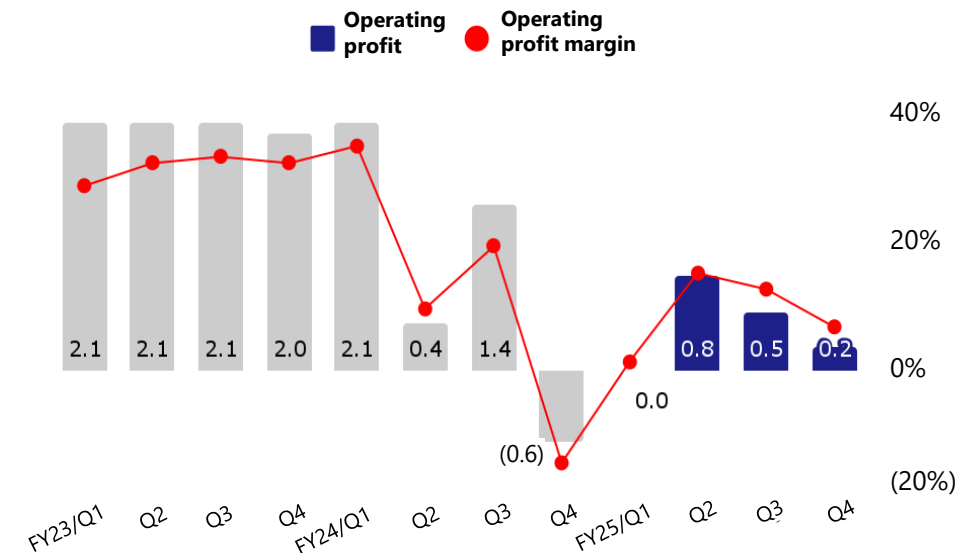
[FY2/2025] Net sales: 2.1 billion yen, 89.7% YoY

Unit: 100 millions of yen



[FY2/2025] Operating profit: 0.17 billion yen, 51.2% YoY

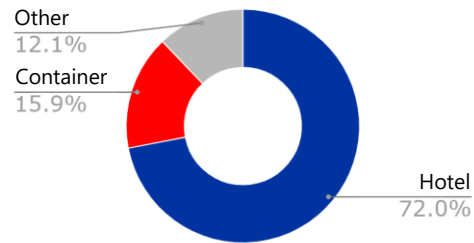
Unit: 100 millions of yen



Results by Segment: Hotel Occupancy Rate, Average Daily Rate, Number of Container Rooms, Occupancy Rate, and Key Indicators in the Hotels and Real Estate Business

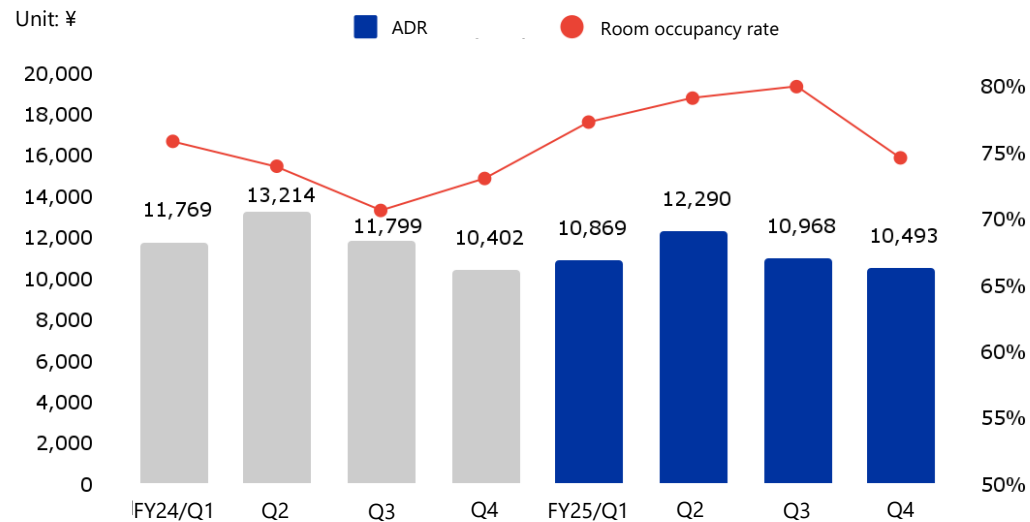
Hotels and Real Estate

Hotels and Real Estate: Composition of shop sales by business category*1

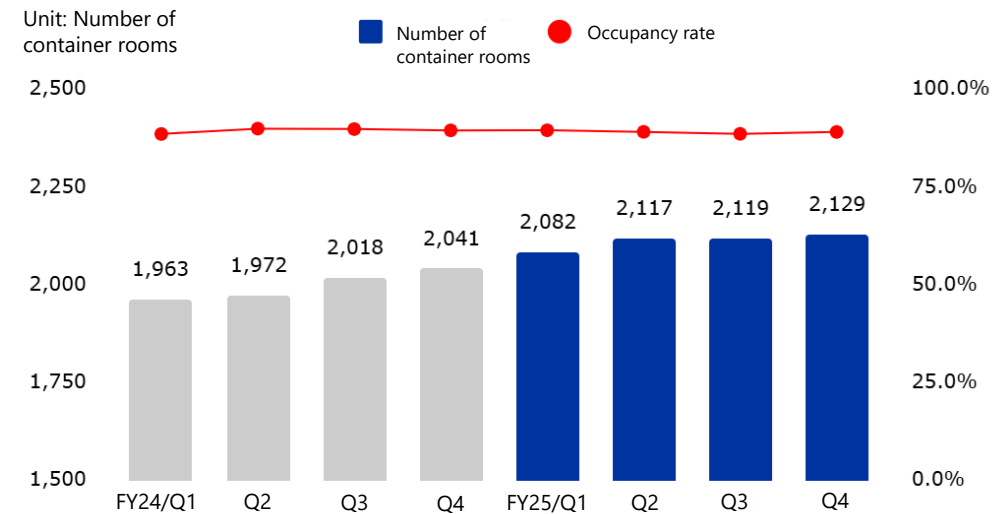


| | FY2/2024 Q1 | FY2/2024 Q2 | FY2/2024 Q3 | FY2/2024 Q4 | FY2/2025 Q1 | FY2/2025 Q2 | FY2/2025 Q3 | FY2/2025 Q4 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cost of sales ratio | 4.4% | 16.7% | 35.4% | 27.5% | 11.3% | 21.5% | 7.8% | 7.5% |
| Labor cost ratio | 16.7% | 23.5% | 13.5% | 26.6% | 24.2% | 18.6% | 23.1% | 25.5% |
| Rent-to-sales ratio | 3.0% | 4.1% | 2.5% | 5.0% | 4.4% | 3.4% | 4.1% | 4.6% |
| Utilities cost ratio | 3.4% | 4.1% | 2.7% | 4.8% | 4.7% | 4.3% | 5.6% | 6.1% |
| Operating profit margin | 33.9% | 8.4% | 18.3% | (15.7%) | 0.1% | 14.0% | 11.5% | 5.6% |

[FY2/2025] Occupancy rate and Average Daily Rate (ADR) in the hotel business*2



[FY2/2025] Number of container rooms and occupancy rate in the container rental business



*1: The container business includes trunk room and coin parking businesses. Other businesses include the share house business and the real estate sales business.

*2: 3S HOTEL ATSUGI (formerly PARK IN HOTEL ATSUGI) was excluded because we provided the hotel facility for accommodating patients with mild COVID-19 symptoms at the request of the Kanagawa prefectural government until Q1 in FY2024 (lease of an entire building for a fee), and from Q2 onward, there was a period of closure due to renovation work for the rebranding and opening.

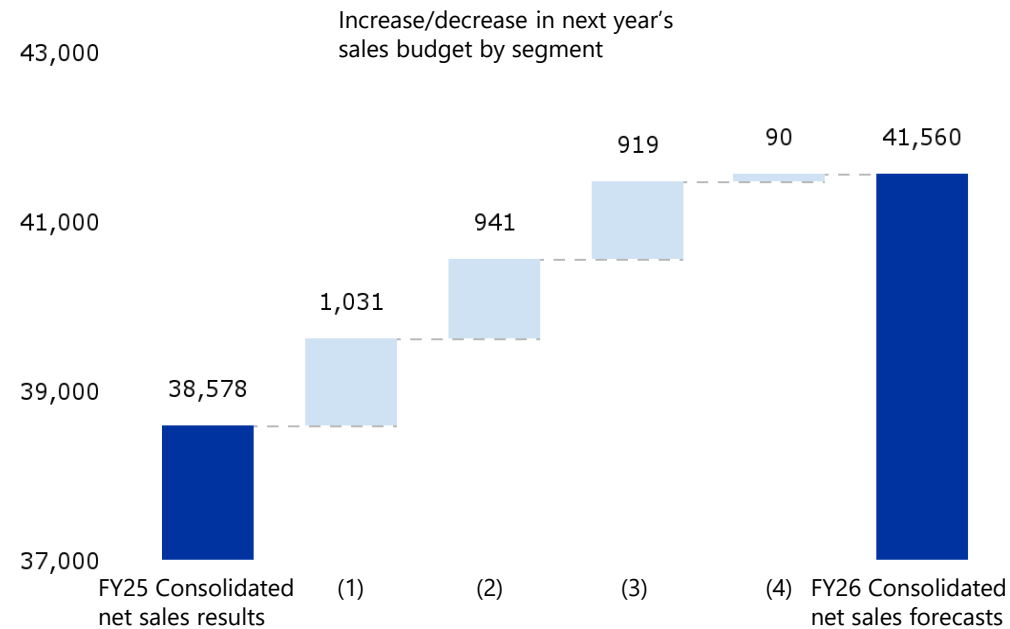
Consolidated Financial Results Forecasts for FY2/2026

- We announced a budget to exceed financial targets of 40 billion yen in net sales, 4 billion yen in operating profit, 10% in operating profit ratio, and 3.9 billion yen in ordinary profit in the final year of the Consolidated Medium-term Management Plan (FY2/2024-FY2/2026).

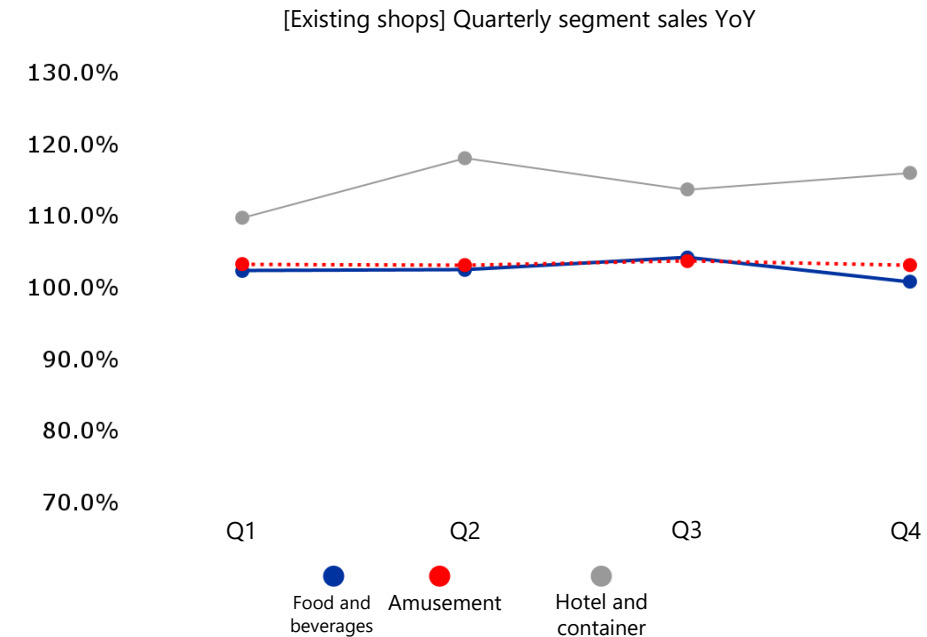
| | | Consolidated Financial Results Forecasts for FY2/2026 | Consolidated Financial Results for FY2/2025 | Increase/Decrease Amount | Increase/Decrease Rate |
|--|--|---|--|-----------------------------|------------------------|
| Interim consolidated accounting period | Net sales | 20,250 | 19,202 | 1,048 | 5.5% |
| | Operating profit | 1,790 | 1,787 | 3 | 0.2% |
| | Ordinary profit | 1,720 | 1,802 | (82) | (4.6%) |
| | Profit attributable to owners of parent | 1,250 | 1,204 | 46 | 3.8% |
| Full-year consolidated accounting period | Net sales | 41,560 | 38,578 | 2,982 | 7.7% |
| | Operating profit | 4,130 | 3,738 | 392 | 10.5% |
| | Ordinary profit | 3,960 | 3,581 | 379 | 10.6% |
| | Profit attributable to owners of parent | 2,410 | 2,397 | 13 | 0.5% |

Consolidated Financial Results Forecasts for FY2/2026

- We plan to increase revenues by 2,982 million yen YoY mainly due to growth of existing shops in the Food and Beverage and Amusement businesses and an increase in the number of shops through new shop openings, as well as improved performance in the Hotel and Real Estate business.









| Segment | Increase/decrease (mn) | Description |
|---|------------------------|--|
| (1) Food and Beverage/AM existing shops | + 1,031 | Increase sales due to the growth of existing stores in the Food and Beverage/Amusement businesses |
| (2) Food and Beverage/AM new shops | + 941 | Increase sales in the Food and Beverage/Amusement businesses due to growth of new stores in the current fiscal year and new store openings in the next fiscal year |
| (3) Hotels and Real estate | + 919 | Increase sales due to growth of existing stores in the Hotels and Real Estate business, etc. |
| (4) Other | + 90 | Adjustments (Differences of consolidation adjustments, etc.) |
| Total sales increase | 41,560 | |



| FY26 Financial Results Forecasts Net Sales YoY (Unit: %) | 1H Total | | | 2H Total | | | Full-year |
|--|----------|-------|----------|----------|-------|----------|-----------|
| | Q1 | Q2 | 1H Total | Q3 | Q4 | 2H Total | |
| Food & Beverage (existing shops) | 102.1 | 102.2 | 102.2 | 103.9 | 100.6 | 102.2 | 102.2 |
| Amusement (existing shops) | 103.0 | 102.9 | 103.0 | 103.5 | 102.9 | 103.2 | 103.1 |
| Hotel and container* | 109.5 | 117.8 | 113.8 | 113.5 | 115.8 | 114.6 | 114.2 |
| Total | 102.6 | 103.2 | 102.9 | 104.4 | 101.8 | 103.0 | 103.0 |

Progress Status of the Consolidated Medium-term Management Plan (FY2/2024-FY2/2026)

- Planned targets: [Strengthen core businesses and expand development channels] [Expand business areas]

| [Strengthen core businesses and expand development channels] | | [Expand business areas] | |
|--|---|--|--|
| <ul style="list-style-type: none"> Strengthen brand creation Strengthen the brand portfolio  <p>Japanese Restaurant <i>mizuiro</i></p>  <p><i>Shuzen Ho no homare</i></p> | <ul style="list-style-type: none"> Expand development channels  <p>BAGUS Umeda</p>  <p>chano-ma Tennoji</p>  <p>Number of shops participating in the procurement collaboration: 730</p> | <ul style="list-style-type: none"> Strengthen IP contents business <p>Number of contents: 50</p> <p>SLD Entertainment Inc.: 49</p> <p>Diamond Dining Co. Ltd.: 1</p> <p>Number of collaboration shops: 19</p> <p>SLD Entertainment Inc.: 16</p> <p>Spot collaboration shops: 5</p> <p>Permanent collaboration shops: 3</p> <p>Entrusted collaboration shops: 8</p> <p>Diamond Dining Col, Ltd.: 3</p> <p>Ss entrusted with operation: 3</p> | <ul style="list-style-type: none"> Expand hotels and real estate services <p>Container rental business*</p> <p>SHONAN LABEL ENTERTAINMENT Inc.</p> <p>Number of container rooms selling: 2,129</p> <p>(+88 YoY)</p> <p>Number of rooms occupied: 1,896</p> <p>(Occupancy rate: 89.1%)</p>  |

Progress of the Consolidated Medium-term Management Plan (FY2/2024-FY2/2026)

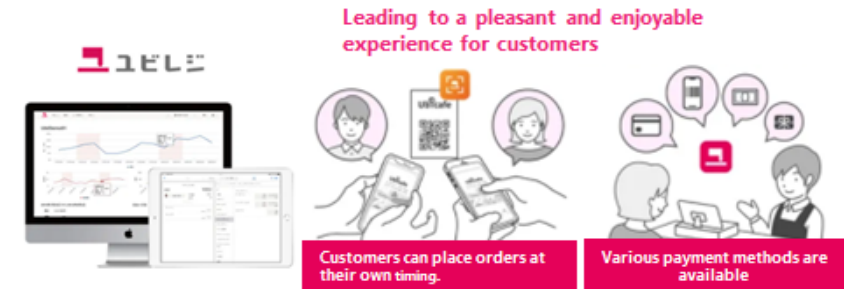
- Plan Objective: Standardization of Internal Infrastructure Systems and Peripheral Devices

Launching multiple projects toward the integration of internal data foundations

| DX realization items in the Group | | | |
|--|---|---|---|
| Implemented | Initiated | | |
| Efforts to address in-store and headquarters needs | Introduction of tablet POS Cashless payment options Introduction of mobile and QR order Delivery service | Supply chain enhancement | Ordering management system Additional distribution centers, etc. Automatic calculation of demand forecast and number of orders |
| | Introduction of a common point system Digitization of various types of coupons Automatic change machines | | SaaS migration of data analysis SaaS migration of approval system Abolition of the legacy system Legal compliance of accounting systems |
| | Establishment of a common management DB Establishment of a store finder system Linkage with various systems | Consolidation and computerization of headquarters (back office) functions | Consolidation of expense reimbursement functions Consolidation of invoice receipt functions Confirmation of logistics product and price revision operations Simplification of general affairs (registration) |
| Establishment of a human resource development platform | Human resources management system Face recognition attendance system Personnel evaluation/human resource DB system Education and training system | | |

DX vision implementation overview

Completed the introduction of tablet POS and QR order (Food and Beverage)



- Expected effects**
- (1) Eliminated POS for multiple manufacturers. Consolidation to one company reduced man-hours for DB construction.
 - (2) Improved efficiency of store operations and labor costs through the introduction of QR order
 - (3) Sales per customer increased due to reduction of lost opportunities

Progress Status of the Consolidated Medium-term Management Plan (FY2/2024-FY2/2026)

| | | FY2/2026 (corrected) Disclosed on Apr. 19, 2024 | FY2/2025 (progress) | Achievement rate | Sales composition ratio | Financial results forecasts for FY2/2026 |
|---|--|--|---|------------------|-------------------------|---|
| Financial Targets (Economic Value) | Net sales | 40,000 | 38,578 | 96.4% | 100.0% | 41,560 |
| | Operating profit | 4,000 | 3,738 | 93.5% | 9.7% | 4,130 |
| | Operating profit ratio | 10.0% | 9.7% | 96.9% | - | 9.9% |
| | Ordinary profit | 3,900 | 3,581 | 91.8% | 9.3% | 3,960 |
| | Net D/E ratio | Less than 2 times | 1.1 times | - | - | - |
| | ROE | 20.0% | 27.9% | +7.9pt | - | - |
| | Interest-bearing debt ratio | Less than 50.0% | 53.0% | +3.0pt | - | - |
| | Equity ratio | 30.0% or more | 25.8% | (4.2pt) | - | - |
| | Cost ratio | - | 21.2% | - | - | 23.4% |
| Non-financial Targets (Social Value) | Percentage of female managers | Current level maintained at 24.2% | 21.80% | (2.4pt) | | |
| | Climate change initiatives | Reduction of CO2 emissions | Promoting initiatives and information disclosure based on TCFD Received a B score in the CDP Climate Change Report 2024 | - | | |
| | Number of stores | - | 310 stores | - | | |
| | Number of container rooms occupied (expansion of recurring revenue business) | FY2/2024 1,826 | FY2/2025 1,896 | 103.8% | | |

APPENDIX

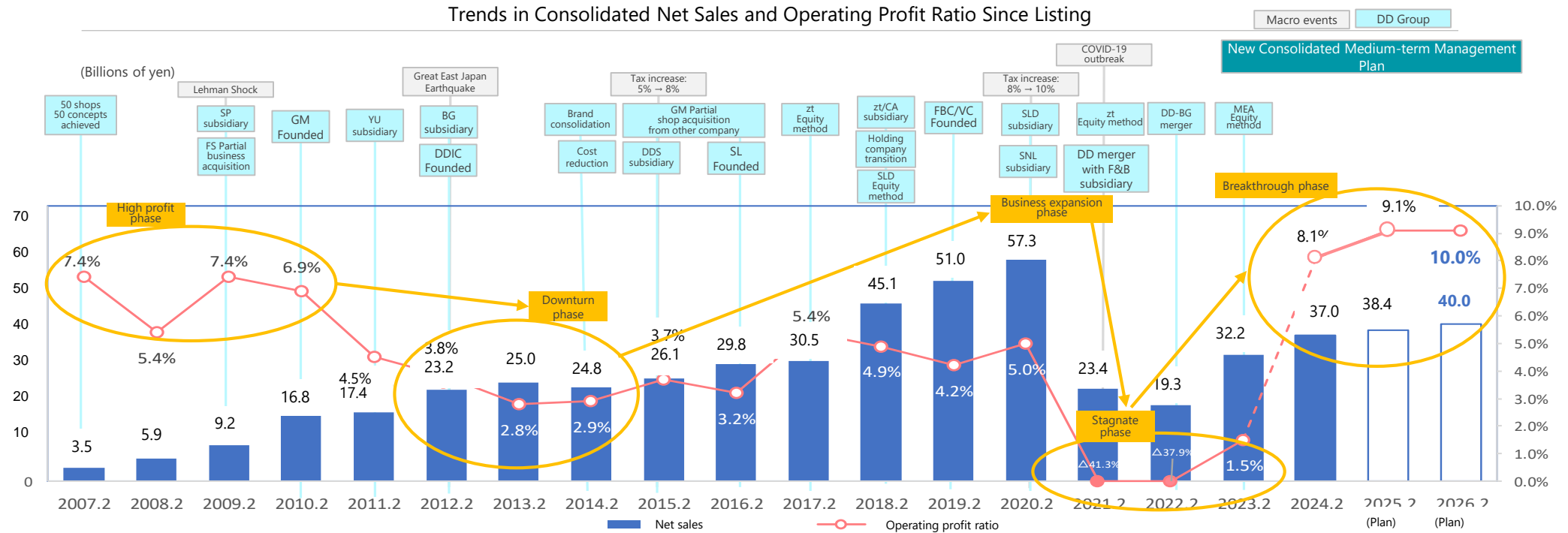


APPENDIX: Strategic Focus Areas of the Medium-term Management Plan

- The following are the specific themes and priority measures to enhance overall Group management capabilities.
- To maximize LTV, the plan focuses on expanding brand (business concept), channel (area), and lifestyle (stage).

| | | |
|----------|--|---|
| 1 | Core business enhancement | <ul style="list-style-type: none">● Secure store locations through group collaboration.● Strengthen brand creation by leveraging group management capabilities.● Maximize LTV (LIFE TIME VALUE).● Reinforce brand portfolio to support dominant market presence. |
| 2 | Market channel expansion | <ul style="list-style-type: none">● Develop new sales channels, including shopping centers and food courts, to expand geographic reach.● Strengthen partnerships with local governments to promote regional revitalization.● Create brands aligned with emerging channel needs.● Expand into new channels through the EC business. |
| 3 | Business domain expansion | <ul style="list-style-type: none">● Expand into new business areas through M&A.● Enhance product offerings in the hotel and real estate segments.● Strengthen IP content business through group collaboration. |
| 4 | Strengthen financial foundation | <ul style="list-style-type: none">● Target ROE of 20% or higher and reduce interest-bearing debt ratio to 50%.● Achieve operating profit of 2.8 billion yen or more (FY2/2026). |

APPENDIX: Group Performance Trends and Plan Through FY2/2026



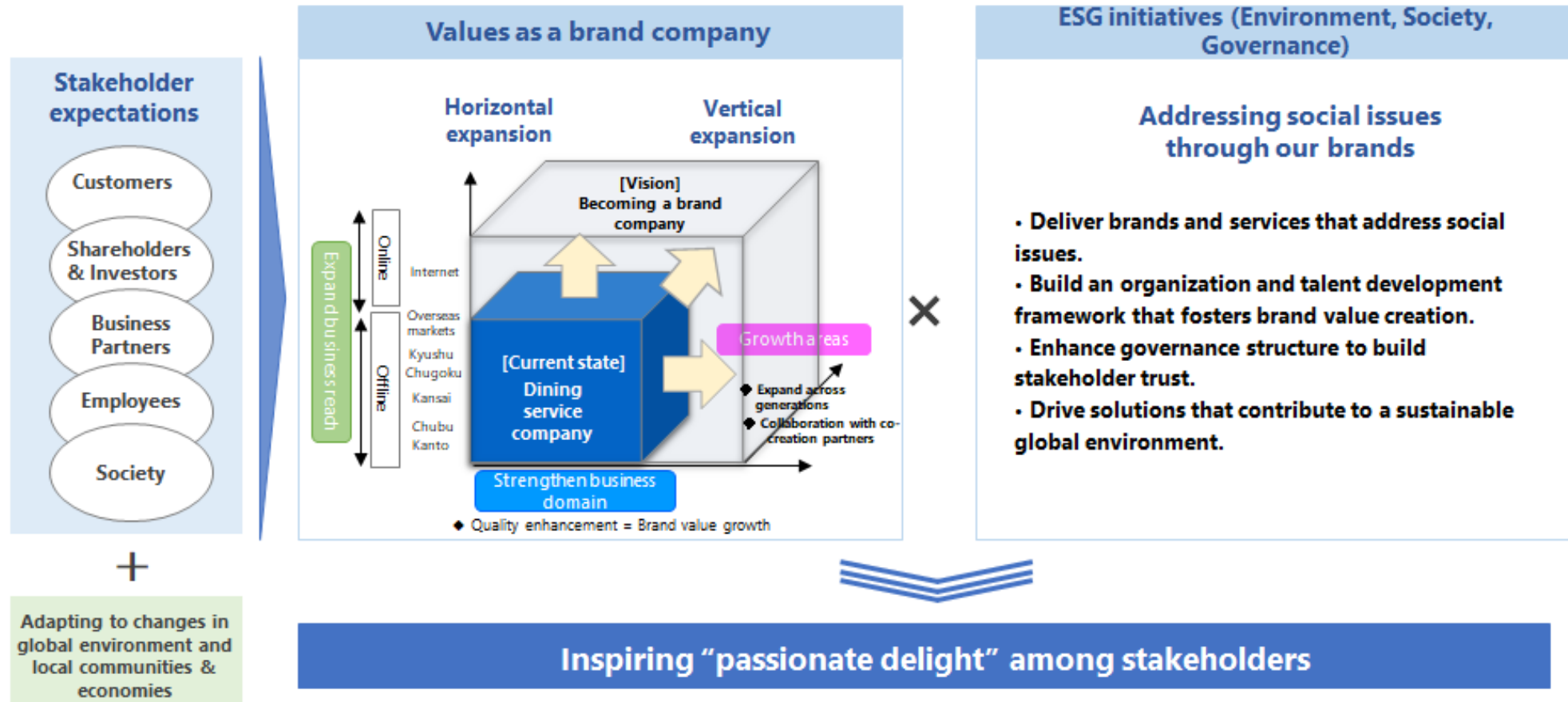
History

FY2/2009: Sun Pool Co., Ltd. (SP) made a subsidiary
Partial business acquisition from Foodscape Co., Ltd. (FS)
FY2/2010: Golden Magic Co., Ltd. (GM) established
FY2/2011: Yoshida Usaburo Shoten K.K. (YU) made a subsidiary
FY2/2012: BAGUS Co., Ltd. (BG) made a subsidiary
Diamond Dining International Corporation (DDIC) established
FY2/2015: Diamond Dining Singapore Pte. Ltd. (DDS) made a subsidiary
FY2/2016: The Sailing Co., Ltd. (SL) established

FY2/2018: zetton Inc. (ZT) and Shogyo Geijutsu Co., Ltd. (CA) made subsidiaries
FY2/2019: Food Business Casting Co., Ltd. (FBC) established
DD Holdings Venture Capital Co., Ltd. (VC) established
FY2/2020: SLD Entertainment Inc. and SHONAN LABEL ENTERTAINMENT Inc. (SNL) made subsidiaries
FY2/2021: Diamond Dining Co., Ltd. absorbed four companies (SP, GM, CA, SL) as the surviving entity
FY2/2022: All shares of DDIC transferred, marking withdrawal from overseas business.
BAGUS Co., Ltd. absorbed by Diamond Dining Co., Ltd. as the surviving entity
FY2/2023: MEA co.,LTD (formerly FBC) accounted for using the equity method

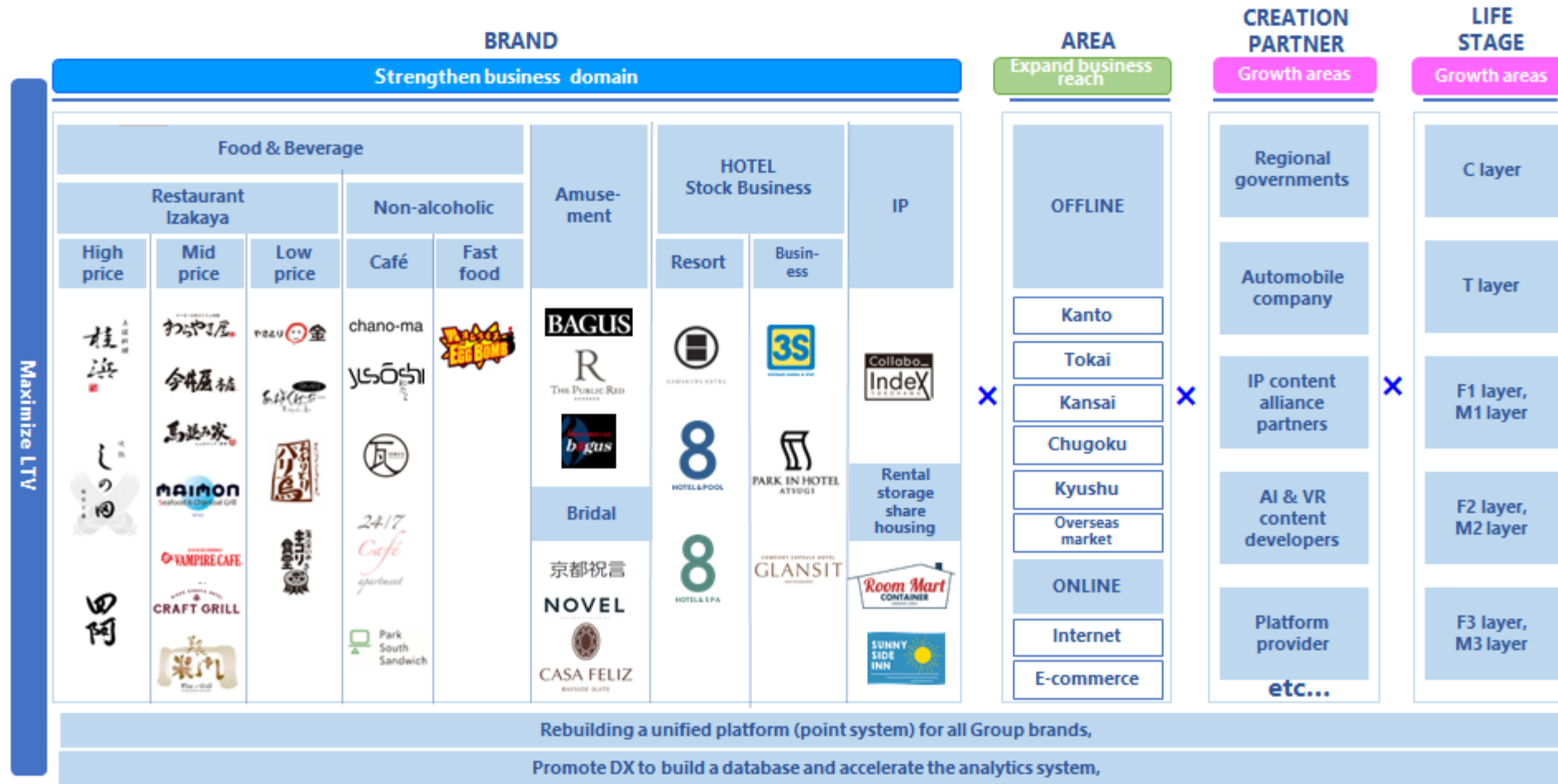
APPENDIX: New Consolidated Medium-term Management Plan - Value Creation Initiatives

- Creating value as a brand company by maximizing LTV (LIFE TIME VALUE) and promoting ESG initiatives to address social challenges—enhancing corporate value and delivering moments of passionate delight.



APPENDIX: New Consolidated Medium-term Management Plan - LTV Growth Strategy Map

- Pursuing geometric LTV growth driven by creative and innovative brand value.



APPENDIX: New Consolidated Medium-term Management Plan - Revised Financial Targets

- In parallel with advancing the Group Vision, the plan seeks to achieve both social and economic value through ESG initiatives.

| | | | | | (Millions of yen) |
|---|---------------------------|--|--|-------------------|-------------------|
| | | FY2/2026 initial plan (Announced April 21, 2023) | FY2/2026 revised plan (Announced April 19, 2024) | Change | FY2/24 Actual |
| Financial targets (Economic value) | Net sales | 40,000 | 40,000 | — | 37,079 |
| | Operating profit | 2,800 | 4,000 | 1,200 (+42.9%) | 3,243 |
| | Operating profit ratio | 7% | 10% | +3 pts | 8.8% |
| | Ordinary profit | 2,700 | 3,900 | 1,200 (+44.5%) | 3,131 |
| | ROE | 20% | 20% | — | 46.6% |

Note: Non-financial targets remain unchanged.

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Additionally, while information on the industry and related areas is based on data deemed reliable, DD GROUP CO., LTD. does not guarantee its accuracy or completeness.

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